

**BEFORE THE FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	
Connect America Fund	WC Docket No. 10-90
A National Broadband Plan for Our Future	GN Docket No. 09-51
Establishing Just and Reasonable Rates for Local Exchange Carriers	WC Docket No. 07-135
High-Cost Universal Service Support	WC Docket No. 05-337
Developing an Unified Intercarrier Compensation Regime	CC Docket No. 01-92
Federal-State Joint Board on Universal Service	CC Docket No. 96-45
Lifeline and Link-Up	WC Docket No. 03-109
Universal Service Reform - Mobility Fund	WT Docket No. 10-208

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**REPLY COMMENTS  
OF  
THE COLORADO TELECOMMUNICATIONS ASSOCIATION  
THE IDAHO TELECOM ALLIANCE  
THE MONTANA TELECOMMUNICATIONS ASSOCIATION  
THE OREGON TELECOMMUNICATIONS ASSOCIATION  
AND  
THE WASHINGTON INDEPENDENT TELECOMMUNICATIONS ASSOCIATION**

**March 30, 2012**

## INTRODUCTION AND SUMMARY

The Colorado Telecommunications Association (CTA) is a trade association that advocates on behalf of and represents the interests of incumbent local exchange carriers operating in the State of Colorado.<sup>1</sup> The Idaho Telecom Alliance (ITA) is a trade association that advocates on behalf of and represents the interests of incumbent local exchange carriers operating in the State of Idaho.<sup>2</sup> The Montana Telecommunications Association (MTA) is a trade association that advocates on behalf of and represents the interests of incumbent local exchange carriers operating in the State of Montana.<sup>3</sup> The Oregon Telecommunications Association (OTA) is a trade association that advocates on behalf of and represents the interests of incumbent local exchange carriers operating in the State of Oregon.<sup>4</sup> The Washington Independent Telecommunications Association (WITA) is a trade association that advocates on behalf of and represents the interests of incumbent local exchange carriers operating in the State of Washington.<sup>5</sup> CTA, ITA, MTA, OTA and WITA's member companies provide advanced telecommunications services, including voice, data and video, to consumers throughout the States of Colorado, Idaho, Montana, Oregon and Washington, including rural, suburban and urban areas. For purposes of these Reply Comments, the Associations will be collectively referred to as the Western Associations.

As a general rule, the members of the Western Associations serve the hardest to serve areas in each of their respective states. Often the terrain is rocky. Certainly, density levels are often very low and the cost to serve an individual customer are relatively high.

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<sup>1</sup> CTA member companies are set out on Exhibit 1.

<sup>2</sup> ITA member companies are set out on Exhibit 1.

<sup>3</sup> MTA member companies are set out on Exhibit 1.

<sup>4</sup> OTA member companies are set out on Exhibit 1.

<sup>5</sup> WITA member companies are set out on Exhibit 1.

The Western Associations generally support the Comments filed by the Rural Associations on February 24, 2012.<sup>6</sup> Thus, it is the position of the Western Associations that, as stated in the Rural Associations' Comments, the Commission should not take further action on intercarrier compensation reform until the effects of the actions already taken by the Commission are known. Further, the Commission should take action to strengthen the Phantom Traffic call signaling rules.

## DISCUSSION

### 1. The Commission Should Not Take Any Action on Moving Originating Access to Bill and Keep.

The Commission has already taken drastic action to reduce the availability of revenue from access charges to support the networks of rural, rate-of-return local exchange carriers by starting the movement of terminating access charges towards bill and keep. However, access revenue on the originating side continues to be an important source of revenue for support of local telecommunications networks. Before the Commission can move to further effectuate intercarrier compensation reform in the form of removing additional revenue streams from rural rate-of-return carriers, it should be informed as to the practical long term effect of its existing actions. In particular, in order to meet the goal of universal service while setting about reforming intercarrier compensation, the Commission must be sure that it has in place a specific, predictable and sufficient federal mechanism to preserve and advance universal service. 47 U.S.C. § 254(5).

As argued in the Rural Associations' Comments, this is both a matter of law and good

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<sup>6</sup> Comments filed by the National Exchange Carrier Association (NECA), the National Telecommunications Cooperative Association (NTCA), the Organization for the Protection and Advancement of Small Telecommunications Companies (OPASTCO) and the Western Telecommunications Alliance (WTA) filed February 24, 2012.

policy. The Commission must take into specific account both universal service considerations and the extent of the effect of its most recent actions on terminating access rates before addressing originating rates.<sup>7</sup>

The Commission's actions as set forth in its Transformation Order, FCC 11-161, have already placed some rural, rate-of-return local exchange companies in danger of not being able to continue to serve their customers and remain in business. Time must be taken to see how these events play out. It is not good public policy to believe that rural America will continue to receive service if existing carriers are placed on fragile economic footing. No public policy should be founded upon the idea that bankruptcy is a cure and simply assume that other carriers will fill a void. Placing carriers at risk of not being able to continue investing in rural broadband networks is both bad public policy and contrary to the Commission's goal of promoting - not threatening - broadband investment.

2. The Commission Should Strengthen the Phantom Traffic Rules.

Although the Commission took a significant first step in the call signaling rules that were adopted in its Order FCC No. 11-161, those rules are not fully adequate. Since the date of those rules, the Commission has made it clear that VoIP traffic must pay access, albeit for intrastate VoIP traffic at the interstate rate. However, VoIP providers continue to engage in behavior that makes it difficult or impossible to capture the traffic for billing purposes. For example, traffic is routed so that it reaches the terminating rural, rate-of-return company over local/extended area service (EAS) trunks. Generally where there is a local tandem in place, it is not set up to capture access traffic data on EAS trunks for billing the access traffic since access traffic should not be routed through a local tandem over EAS trunks in the first place. Nor are end offices normally set up to capture access traffic that is not routed over access trunks.

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<sup>7</sup> Ibid. at p. 4-9.

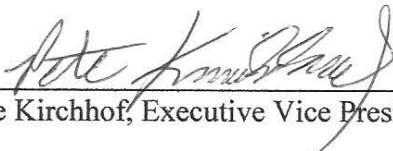
In addition, much of the traffic that does get routed over access trunks does not contain a carrier identification code (CIC) other than a 0000 population of the CIC field. This makes it impossible to determine who the responsible carrier is for billing purposes. As a result, the Western Associations support the Comments of the Rural Associations on traffic rules.<sup>8</sup> The Western Associations urge the Commission to adopt rules that require population of the CIC in all cases where the traffic is originated on an IP platform and to make it clear that access traffic is to be routed over access trunks, not local/EAS trunks.

3. Other Matters.


While only specifically identifying the matters raised by the Rural Associations on intercarrier compensation and phantom traffic rules, the Western Associations are in general support of the remainder of the Comments of the Rural Associations.

Respectfully submitted this 30th day of March, 2012.

COLORADO TELECOMMUNICATIONS  
ASSOCIATION

By:   
Pete Kirchhof, Executive Vice President

IDAHO TELECOM ALLIANCE

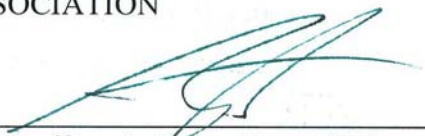
By:   
Molly Steckel, Executive Director

[Signatures continue on next page]

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<sup>8</sup> Ibid. at p. 42, et seq.


MONTANA TELECOMMUNICATIONS  
ASSOCIATION

By:   
Geoffrey A. Feiss, General Manager

OREGON TELECOMMUNICATIONS  
ASSOCIATION

By:   
Brant Wolf, Executive Vice President

WASHINGTON INDEPENDENT  
TELECOMMUNICATIONS ASSOCIATION

By:   
Betty S. Buckley, Executive Director

## EXHIBIT 1

<u>Colorado Telecommunications Association</u> Agate Mutual Telephone Cooperative Association Big Sandy Telecom (FairPoint) Blanca Telephone Company Columbine Telephone Company (FairPoint) Delta County Tele-Comm (TDS Telecom) Dubois Telephone Exchange Eastern Slope Rural Telephone Association Farmers Telephone Company Haxtun Telephone Company Nucla-Naturita Telephone Company Nunn Telephone Company Peetz Cooperative Telephone Company Phillips County Telephone Pine Drive Telephone Company Plains Cooperative Telephone Association Rico Telephone Company Roggen Telephone Company Rye Telephone Company South Park Telephone Company Stoneham Cooperative Telephone Company Strasburg Telephone Company (TDS Telecom) Sunflower Telephone Company (FairPoint) Union Telephone company Wiggins Telephone Association Willard Telephone Company	<u>Idaho Telecom Alliance</u> Albion Telephone Company Cambridge Telephone Company Custer Telephone Cooperative Direct Communications Farmers Mutual Telephone Company Filer Mutual Telephone Company Fremont Telecom Company (dba FairPoint Communications) Inland Telephone Company Midvale Telephone Exchange Oregon-Idaho Utilities Project Mutual Telephone Company Rural Telephone Company Silver Star Communications
<u>Montana Telecommunications Association</u> 3 Rivers Telephone Cooperative Blackfoot Telephone Cooperative *CenturyLink of Montana Lincoln Telephone Company Range Telephone Cooperative Southern Montana Telephone Company	

\*The CenturyLink companies and Frontier companies are price cap companies or affiliated with price cap companies and are addressing issues affecting price cap companies separately.

<u>Oregon Telecommunications Association</u> Asotin Telephone Company d/b/a TDS Telecom Beaver Creek Cooperative Telephone Company Canby Telephone Association d/b/a Canby Telecom Cascade Utilities, Inc., d/b/a Reliance Connects *CenturyTel of Oregon, Inc., d/b/a CenturyLink *CenturyTel of Eastern Oregon, Inc., d/b/a CenturyLink Clear Creek Telephone & Television Colton Telephone Company, d/b/a ColtonTel Eagle Telephone System, Inc. *Embarq, d/b/a CenturyLink *Frontier Communications Northwest, Inc. Gervais Telephone Company Helix Telephone Company Home Telephone Company d/b/a TDS Telecom Midvale Telephone Exchange Molalla Communications, Inc. d/b/a Molalla Communications Monitor Cooperative Telephone Company Monroe Telephone Company Mt. Angel Telephone Company Nehalem Telecommunications, Inc., d/b/a RTI Nehalem Telecom North-State Telephone Co. Oregon-Idaho Utilities, Inc. Oregon Telephone Corporation People's Telephone Co. Pine Telephone System, Inc. Pioneer Telephone Cooperative *Qwest Corporation, d/b/a CenturyLink Roome Telecommunications Inc. St. Paul Cooperative Telephone Association Scio Mutual Telephone Association Stayton Cooperative Telephone Company Trans-Cascades Telephone Company, d/b/a Reliance Connects	<u>Washington Independent Telecommunications Association</u> Asotin Telephone Company d/b/a TDS Telecom *CenturyTel of Cowiche, Inc., d/b/a CenturyLink *CenturyTel of Inter-Island, Inc., d/b/a CenturyLink *CenturyTel of Washington, Inc., d/b/a CenturyLink Ellensburg Telephone Company d/b/a FairPoint Communications *Embarq, d/b/a CenturyLink *Frontier Communications Northwest, Inc. Hat Island Telephone Company Hood Canal Telephone Co., Inc. d/b/a Hood Canal Communications Inland Telephone Company Kalama Telephone Company Lewis River Telephone Company, Inc. d/b/a TDS Telecom Mashell Telecom, Inc. d/b/a Rainier Connect McDaniel Telephone Co. d/b/a TDS Telecom Pend Oreille Telephone Company, d/b/a RTI Pend Oreille Telecom Pioneer Telephone Company *Qwest Corporation, d/b/a CenturyLink St. John Co-operative Telephone and Telegraph Company Tenino Telephone Company The Toledo Telephone Co., Inc. Western Wahkiakum County Telephone Company d/b/a Wahkiakum West Whidbey Telephone Company YCOM Networks, Inc. d/b/a FairPoint Communications
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